

November 19, 2001

State of Utah
Division of Oil, Gas & Mining
Attn: Brad Hill
1594 West North Temple - Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

RE: Applications for Permit to Drill: 10-31-8-17 and 15-31-8-17.

Dear Brad:

Enclosed find APD's on the above referenced wells. If you have any questions, feel free to give either Brad or myself a call.

Sincerely,

Mlandie Crozier
Permit Clerk

mc

enclosures

RECEIVED

NOV 2 1 2001

DIVISION OF OIL, GAS AND MINING

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

nn approved. .get Bureau No. 1004-0136 Expires December 31, 1991

UNITED STATES DEPARTMENT OF THE INTERIOR

		MANAGEMENT				5. LEASE DESIGNATION AND SERIAL NO. UTU-74869		
DUK	EAU OF LAND	MANAGENIEN				6. IF INDIAN. ALLOTTEB OR TRIBE NAME		
APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK						N/A		
1a. TYPE OF WORK DRILL X DEEPEN 1b. TYPE OF WELL					7. UNIT AGREEMENT NAME Sand Wash			
OIL GAS WELL X WELL 2. NAME OF OPERATOR	OTHER	SINGLE MULTIPLE ZONE X ZONE				8. FARM OR LEASE NAME WELL NO 10-31-8-17 9. API WELL NO.		
Inland Production Company						9. AFI WELL NO.		
3. ADDRESS OF OPERATOR Route #3 Box 3630, Myton, U			: (435) 640	6-3721		10. FIELD AND POOL OR WILDCAT Monument Butte		
4. LOCATION OF WELL (Report location of At Surface NW/SE At proposed Prod. Zone	learly and in accordance 1990' FSL 199		4436 581	1334E		II. SEC., T., R., M., OR BLK. AND SURVEY OR AREA NW/SE Sec. 31, T8S, R17E		
14. DISTANCE IN MILES AND DIRECTION FRA Approximately 13.5 miles sou						12. County Duchesne UT		
15. DISTANCE FROM PROPOSED* LOCATION OR LEASE LINE. FT.(Also to	TO NEAREST PROPERTY	Y 16. NO. OF ACRES IN LEASE	=======================================	17. NO. OF ACRES	SASSIGNED	TO THIS WELL		
Approx. 1990' f/lse line & 199		1,177.07		40				
18. DISTANCE FROM PROPOSED LOCATION* DRILLING, COMPLETED, OR APPLIED FOR Approx. 541'		19. PROPOSED DEPTH 6500'		20. ROTARY OR CABLE TOOLS Rotary				
21. ELEVATIONS (Show whether DF, RT, GR, etc. 5328.4' GR	c.)				22. APPROX	K. DATE WORK WILL START* arter 2001		
23. PROPOSED CASING AND	CEMENTING PRO	GRAM						
SIZE OF HOLE	SIZE OF CASING	WEIGHTAFCXYT	SETTING DEF	PTH	QUANTITY	OF CEMENT		
Refer to Monument Butte Fie	ld SOP's Drillin	g Program/Casing Desi	gn					
Inland Production Con	npany proposes	to drill this well in acco	rdance wit	h the attache	d exhib	its.		

The Conditions of Approval are also attached.



RECEIVED

NOV 2 1 2001

DIVISION OF OIL, GAS AND MINING

			OIL, GAS AND	MINING
N ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deep	pen or plug back, give data on present productive	zone and proposed new productiv	ve zone.	
f proposal is to drill or deepen directionally, give pertinent data on subsurface lo	cations and measured and true vertical depths. Gi	ve blowout preventer program, if	any.	
SIGNED Mandie Croyer TI	rle Permit Clerk	DATE	1/13/01	A
(This space for Federal or State office use)	7			
PERMIT NO. 43-013-32320 A	PPROVAL DATE			
Application approval does not warrant or certify that the applicant holds legal or equitable	e title to those rights in the subject lease which would en	title the applicant to conduct operation	ns thereon.	
CONDITIONS OF APPROVAL. IF ANY:				
APPROVED BY TI	BRADLEY G. H	PLL PROFESSION (CONTRACTOR CONTRACTOR CONTRA	203-01	
	MECHANIA JON SPEC	ALIST M		

T8S, R17E, S.L.B.&M. N89'51'E - 78.20 (G.L.O.) Lot 2 Lot 1 WELL LOCATION: SAND WASH UNIT \$10-31-8-17 ELEV. UNGRADED GROUND = 5328.4' Lot 3 (C.L.O.) (C.L.O.) 1910 1910 Brass Cap N89'49'26"E 74 5173.54' (Meas.) Brass Cap NORTH (Basis of Bearings) 1991' Lot 4 (Computed) DRILLING WINDOW 2645.63" ' G.L.O. (B Lot 5 Corner Brass Cap Brass Cap Missing N89'52'41"E - 2533.40' (Meas.) N89'58'E - 78.81 (G.L.O.) SWU #10-31-8-17 = SECTION CORNERS LOCATED (Surface Location) LATITUDE = 40.04, 21.38" BASIS OF ELEV; U.S.G.S. 7-1/2 min QUAD LONGITUDE = 110' 02' 49.12" (MYTON SE)

INLAND PRODUCTION COMPANY

WELL LOCATION, SAND WASH UNIT #10-31-8-17, LOCATED AS SHOWN IN THE NW 1/4 SE 1/4 OF SECTION 31, T8S, R17E, S.L.B.&M. DUCHESNE COUNTY, UTAH.

THIS IS TO CERTIFY ENAT THE SABOVE PLAT WAS PREPARED FROM THE LONG THE OF ACTUAL SURVEYS MADE BY ME OF UNDER MY SURER HISTON AND THAT THE SAME ARE TRUE A OF MY KNOWLEGGE AND STEWART

RIGISTERIO LAND BURVEYOR REGISTRATION 988. 144102 STATE OF LEAST UT

REVISED: 10-26-01 (Add Lat. & Long.)

TRI STATE LAND SURVEYING & CONSULTING

38 WEST 100 NORTH - VERNAL, UTAH 84078 (435) 781-2501

SCALE: 1" = 1000'	SURVEYED BY: K.S.
DATE: 8-2-01	WEATHER: WARM
NOTES:	FILE #

Well No.: Sand Wash 10-31-8-17

CONDITIONS OF APPROVAL APPLICATION FOR PERMIT TO DRILL

Company/Operator: Inland Production Company

Well Name & Number: Sand Wash 10-31-8-17

API Number:

Lease Number: UTU-74869

Location: (J31-8-17)

SURFACE USE PROGRAM CONDITIONS OF APPROVAL

CULTURAL RESOURCES

See DIAMOND MOUNTAIN RESOURCE AREA RESOURCE MANAGEMENT PLAN AND RECORD OF DECISION (Fall 1994).

PALEONTOLOGICAL RESOURCES

See DIAMOND MOUNTAIN RESOURCE AREA RESOURCE MANAGEMENT PLAN AND RECORD OF DECISION (Fall 1994).

SOILS, WATERSHEDS, AND FLOODPLAINS

See DIAMOND MOUNTAIN RESOURCE AREA RESOURCE MANAGEMENT PLAN AND RECORD OF DECISION (Fall 1994).

WILDLIFE AND FISHERIES

See DIAMOND MOUNTAIN RESOURCE AREA RESOURCE MANAGEMENT PLAN AND RECORD OF DECISION (Fall 1994).

THREATENED, ENDANGERED, AND OTHER SENSITIVE SPECIES

FERRUGINOUS HAWK: Due to this proposed well location's proximity (less that 0.5 mile) to an existing inactive ferruginous hawk nest site, no new construction or surface disturbing activities will be allowed between February 1 and May 30. If the nest remains inactive on May 30th (based on a pre-construction survey by a qualified biologist), the operator may construct and drill the location after that date. If the nest site becomes active prior to May 30, no new construction or surface disturbing activities will be allowed within 0.5 mile of the nest until the nest becomes inactive for two full breeding seasons. In the event that this well becomes a producing well, it must be equipped with a multi-cylinder engine or hospital muffler to reduce noise levels.

BURROWING OWL: Due to the proximity of the location to active prairie dog towns, there is the potential to encounter nesting burrowing owls between April 1 and July 15. If new construction or surface disturbing activities are scheduled between April 1 and July 15, pre-construction surveys will be conducted to detect the presence of

nesting burrowing owls within 0.5 mile of any new construction or surface disturbing activity (see Vernal BLM Field Office Protocol). No new construction or surface disturbing activities will be allowed between April 1 and July 15 within a 0.5 mile radius of any active burrowing owl nest.

MOUNTAIN PLOVER: If new construction or surface disturbing activities are scheduled to occur between March 15 and August 15, detailed surveys of the area within 0.5 mile of the proposed location and within 300 feet of proposed access routes must be conducted to detect the presence of mountain plovers. All surveys must be completed prior to initiating new construction or surface disturbing activities (see Survey Protocol COAs EA Number 1996-61).

LOCATION AND RESERVE PIT RECLAMATION

During construction of the reserve pit, a small amount of topsoil shall be stockpiled nearby, to be spread over the reserve pit area at the time the reserve pit is reclaimed.

The topsoil stockpile shall be reseeded immediately after site construction by broadcasting the seed, then walking the topsoil stockpile with the dozer to plant the seed.

The following seed mixture will be used on the topsoil stockpile, the recontoured surface of the reserve pit, and for final reclamation: (All poundages are in pure live seed)

Gardner saltbush	Atriplex gardneri	4 lbs/acre
Mat saltbush	Atriplex corrugata	4 lbs/acre
Galleta grass	Hilaria jamesii	4 lbs/acre

The reserve pit shall be reclaimed immediately after drilling operations have ceased. The pit shall be reclaimed by: 1) removing all liquids and any oily debris according to Utah Division of Oil, Gas, & Mining pit closure rules; 2) perforating and folding the liner in place; 3) recontouring the surface; 4) broadcasting the seed over the recontoured surface; and 5) walking the surface of the pit with a dozer to plant the seed.

At the time of final abandonment, the location and access will be recontoured to natural topography and topsoil spread over the area and the surface seeded immediately.

PIPELINES

Installation of a surface gas pipeline and/or any subsequent buried gas or water pipelines will follow the conditions of approval outlined above.

Except as specified in the APD, the installation of the surface gas line and any subsequent buried pipelines will follow the edge of the existing roadways without interfering with the normal travel and maintenance of the roadway.

The installation of any buried pipelines will disturb as little surface as possible and will not exceed 60 feet in width. Reclamation of the disturbance area associated with buried pipelines will be completed within 10 days after installation. The surface will be recontoured to natural or near natural contours. Reseeding will be with the same seed mixture specified for reclamation of the reserve pit and well site. The interface of the buried line disturbance area and the edge of any adjacent access roads will be constructed with a borrow ditch and road berm to minimize vehicular travel along the water line route.

INLAND PRODUCTION COMPANY SAND WASH #10-31-8-17 NW/SE SECTION 31, T8S, R17E DUCHESNE COUNTY, UTAH

ONSHORE ORDER NO. 1

DRILLING PROGRAM

1. GEOLOGIC SURFACE FORMATION:

Uinta formation of Upper Eocene Age

2. <u>ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS:</u>

Uinta 0' – 1640' Green River 1640' Wasatch 6500'

3. <u>ESTIMATED DEPTHS OF ANTICIPATED WATER, OIL, GAS OR MINERALS:</u>

Green River Formation 1640' - 6500' - Oil

4. PROPOSED CASING PROGRAM

Please refer to the Monument Butte Field Standard Operation Procedure (SOP).

5. <u>MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL:</u>

Please refer to the Monument Butte Field SOP. See Exhibit "C".

6. TYPE AND CHARACTERISTICS OF THE PROPOSED CIRCULATION MUDS:

Please refer to the Monument Butte Field SOP.

7. <u>AUXILIARY SAFETY EQUIPMENT TO BE USED:</u>

Please refer to the Monument Butte Field SOP.

8. <u>TESTING, LOGGING AND CORING PROGRAMS:</u>

Please refer to the Monument Butte Field SOP.

9. <u>ANTICIPATED ABNORMAL PRESSURE OR TEMPERATURE:</u>

The anticipated maximum bottom hole pressure is 2000 psi. It is not anticipated that abnormal temperatures will be encountered.

10. ANTICIPATED STARTING DATE AND DURATION OF THE OPERATIONS:

Please refer to the Monument Butte Field SOP.

INLAND PRODUCTION COMPANY SAND WASH #10-31-8-17 NW/SE SECTION 31, T8S, R17E DUCHESNE COUNTY, UTAH

ONSHORE ORDER NO. 1

MULTI-POINT SURFACE USE & OPERATIONS PLAN

1. EXISTING ROADS

See attached Topographic Map "A"

To reach Inland Production Company well location site Sand Wash # 10-31-8-17 located in the NW 1/4 SE 1/4 Section 31, T8S, R17E, Duchesne County, Utah:

Proceed southwesterly out of Myton, Utah along Highway 40 - 1.6 miles \pm to the junction of this highway and UT State Hwy 53; proceed southeasterly along Hwy 53 - 10.9 miles \pm to it's junction with an existing dirt road to the southwest; proceed southwesterly - 1.0 miles \pm to its junction with the beginning of the proposed access road to the proposed drill pad.

2. PLANNED ACCESS ROAD

See Topographic Map "B" for the location of the proposed access road.

3. LOCATION OF EXISTING WELLS

Refer to Exhibit "B".

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES

Please refer to the Monument Butte Field Standard Operating Procedure (SOP).

5. LOCATION AND TYPE OF WATER SUPPLY

Please refer to the Monument Butte Field SOP. See Exhibit "A".

6. SOURCE OF CONSTRUCTION MATERIALS

Please refer to the Monument Butte Field SOP.

7. <u>METHODS FOR HANDLING WASTE DISPOSAL</u>

Please refer to the Monument Butte Field SOP.

8. <u>ANCILLARY FACILITIES</u>

Please refer to the Monument Butte Field SOP.

9. WELL SITE LAYOUT

The attached Location Layout Diagram describes drill pad cross-sections, cuts and fills, and locations of the mud tanks, reserve pit, pipe racks, trailer parking, spoil dirt stockpile(s), and surface material stockpile(s).

10. PLANS FOR RESTORATION OF SURFACE

Please refer to the Monument Butte Field SOP.

11. <u>SURFACE OWNERSHIP</u> - Bureau Of Land Management

12. OTHER ADDITIONAL INFORMATION

The Paleontological Resource Survey and Archaeological Resource Survey for this area are attached.

Inland Production Company requests a 60' ROW for the Sand Wash #10-31-8-17 to allow for construction of a 6" gas gathering line, and a 3" poly fuel gas line. Both lines will tie in to the existing pipeline infrastructure. Refer to Topographic Map "C."

Inland Production Company also requests a 60' ROW be granted for the Sand Wash #10-31-8-17 to allow for construction of a 3" steel water injection line and a 3" poly water return line. **Refer to Topographic Map "C."**

13. LESSEE'S OR OPERATORS REPRESENTATIVE AND CERTIFICATION

<u>Representative</u>

Name:

Mandie Crozier

Address:

Route #3 Box 3630

Myton, UT 84052

Telephone:

(435) 646-3721

Certification

Please be advised that INLAND PRODUCTION COMPANY is considered to be the operator of well #10-31-8-17 NW/SE Section 31, Township 8S, Range 17E: Lease UTU-74869 Duchesne County, Utah: and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond coverage is provided by Hartford Accident #4488944.

I hereby certify that the proposed drillsite and access route have been inspected, and I am familiar with the conditions which currently exist; that the statements made in this plan are true and correct to the best of my knowledge; and that the work associated with the operations proposed here will be performed by Inland Production Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

1/13/01

Date

Mandie Crozier
Permit Clerk



WELL PAD INTERFERENCE PLAT
WELL PAD (J31-8-17)
Section 31, T8S, R17E, S.L.B.&M.

SWU #15-31-8-17 (J31) SWU #10-31-8-17 -RELATIVE COORDINATES From top hole to bottom hole

SWU #15-31-8-17 (J31) 2019' FSL & 1998' FEL SWU #10-31-8-17 1990' FSL & 1991' FEL

SWU #10-31-8-17 (Surface Location)

LATITUDE = 40° 04' 21.38"

LONGITUDE = 110° 02' 49.12"

SURVEYED BY:D.J.S.SCALE:1" = 60'DRAWN BY:J.R.S.DATE:10-26-01

 $/Tri_{Land\ Surveying,\ Inc.}^{Tri\ State}$

WELL

10 - 31

15 - 31

(435) 781-2501

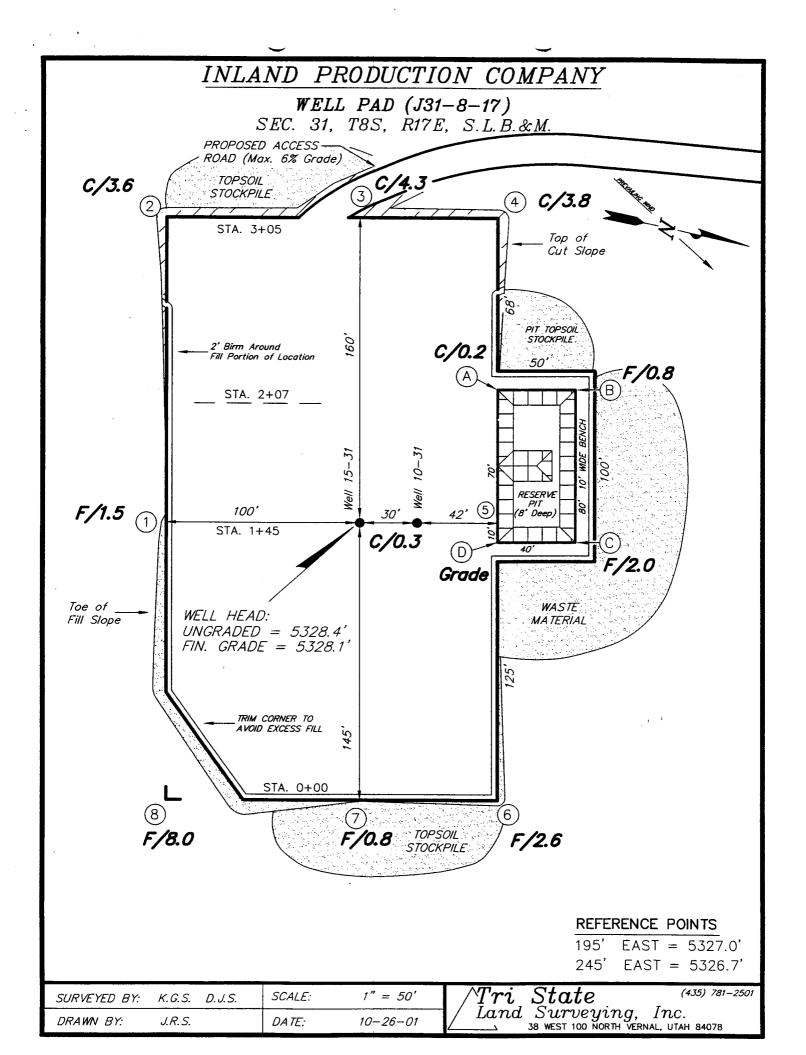
EAST

ind~Surveying,~Inc. $_{\scriptscriptstyle 180}$ north vernal ave. Vernal, utah 84078

NORTH

-1.359'

VERTICAL WELL



INLAND PRODUCTION COMPANY CROSS SECTIONS WELL PAD (J31-8-17) 20, 1" = 50'STA. 3+05 20, STA. 2+07 1" = 50'**EXISTING** FINISHED GRADE GRADE 20, WELL HOLE 11 1" = 50'STA. 1+45 20, II 1" = 50'STA. 0+00 ESTIMATED EARTHWORK QUANTITIES (Expressed in Cubic Yards) 6" TOPSOIL ITEM CUT FILL **EXCESS** PAD 1,060 Topsoil is 1,060 not included in Pad Cut UNLESS OTHERWISE NOTED PIT 640 640 ALL CUT/FILL SLOPES ARE TOTALS 1,700 1,060 1,010 640 AT 1.5:1 Tri State Land Surveying, Inc. 38 WEST 100 NORTH VERNAL, UTAH 84078 (435) 781-2501 SCALE: 1" = 50'SURVEYED BY: K.G.S. D.J.S.

DRAWN BY:

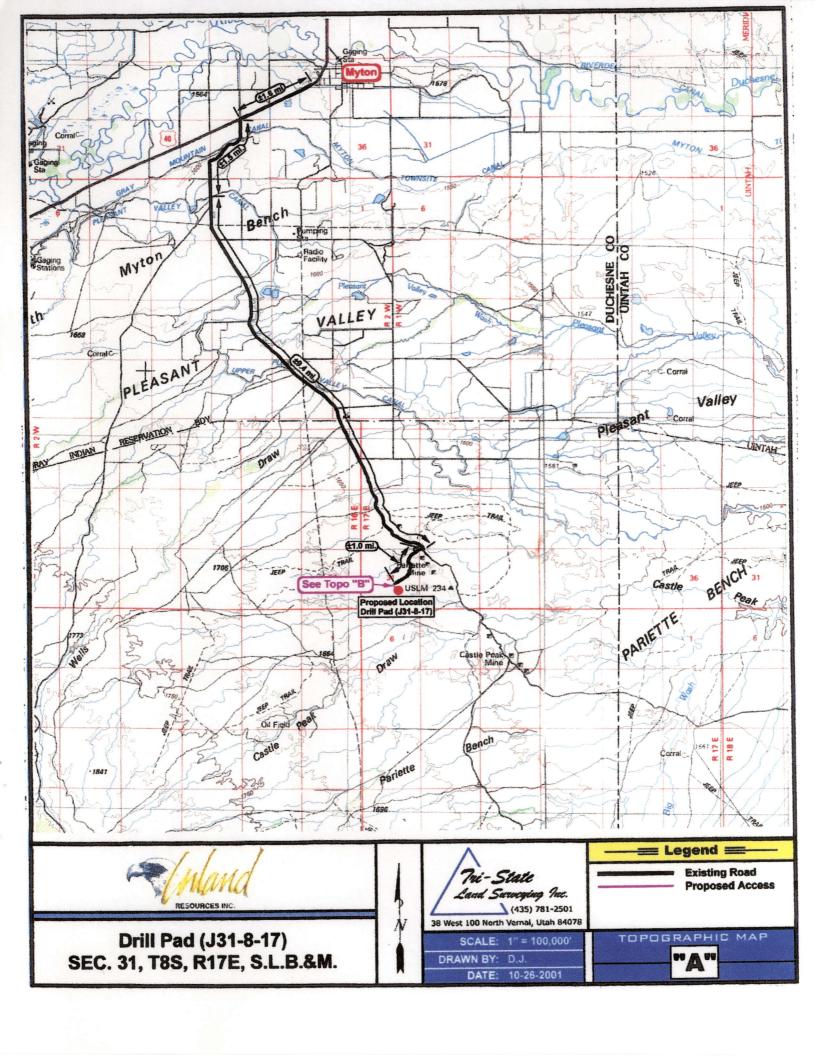
J.R.S.

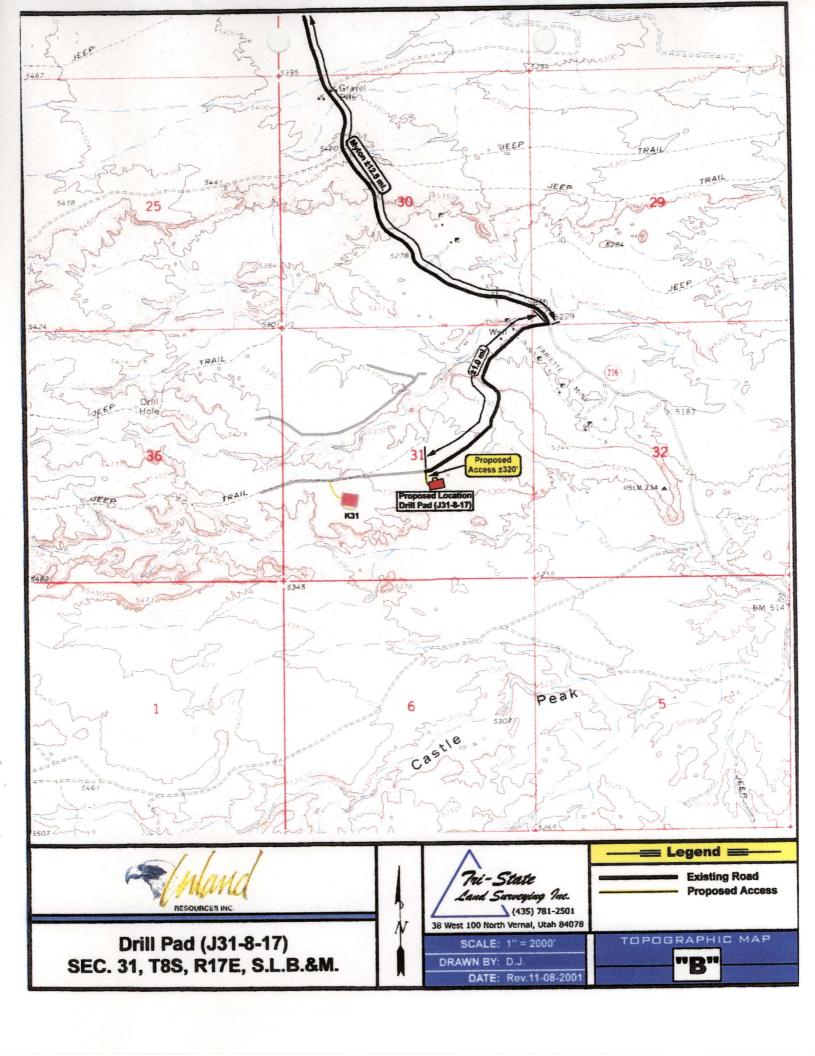
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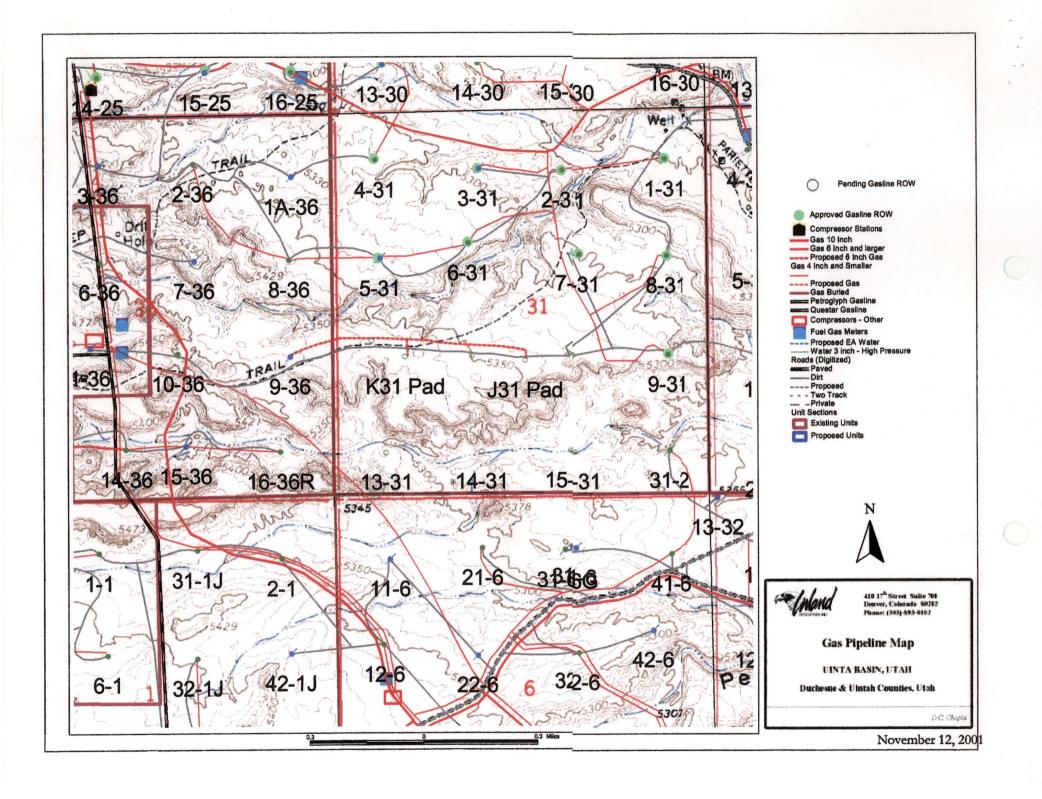
10-26-01

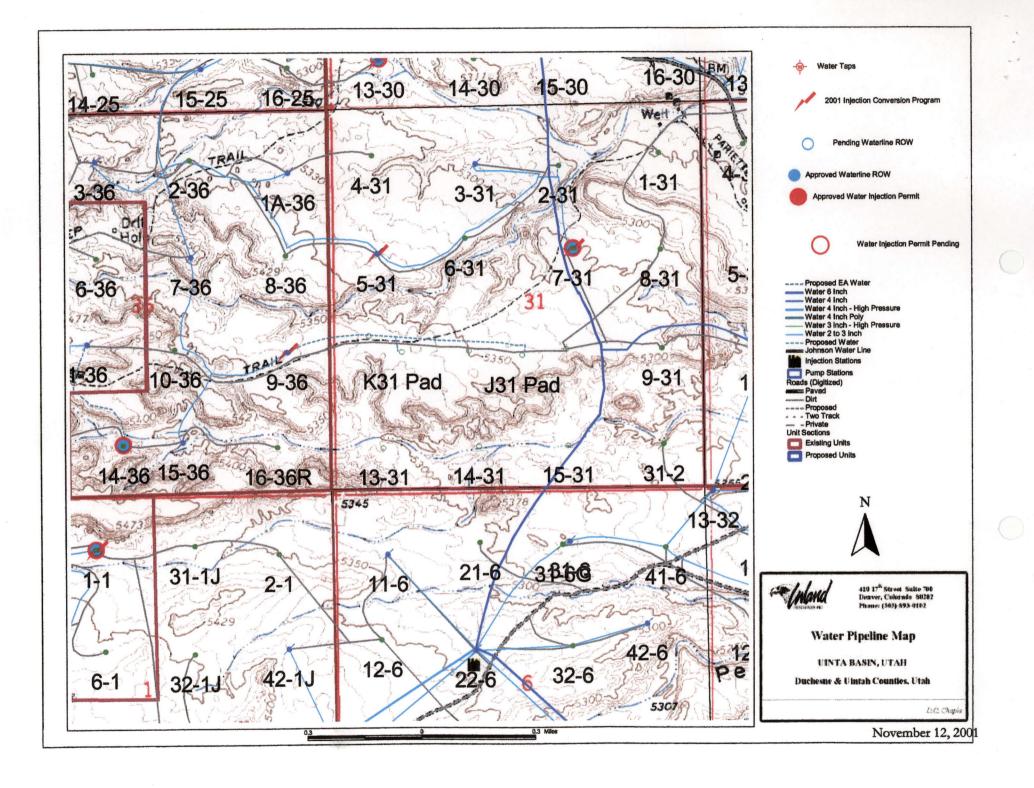
INLAND PRODUCTION COMPANY TYPICAL RIG LAYOUT WELL PAD (J31-8-17) PROPOSED ACCESS-ROAD (Max. 6% Grade) STORAGE TANK AIR COMP. B AIR COMP. A AIR BOOSTER 50' BOILER BTM DOG HOUSE ☐ TOILET Water Tank *,*0 100' PIPE RACKS PIPE TUB PIPE TUB PIPE TUB DATA

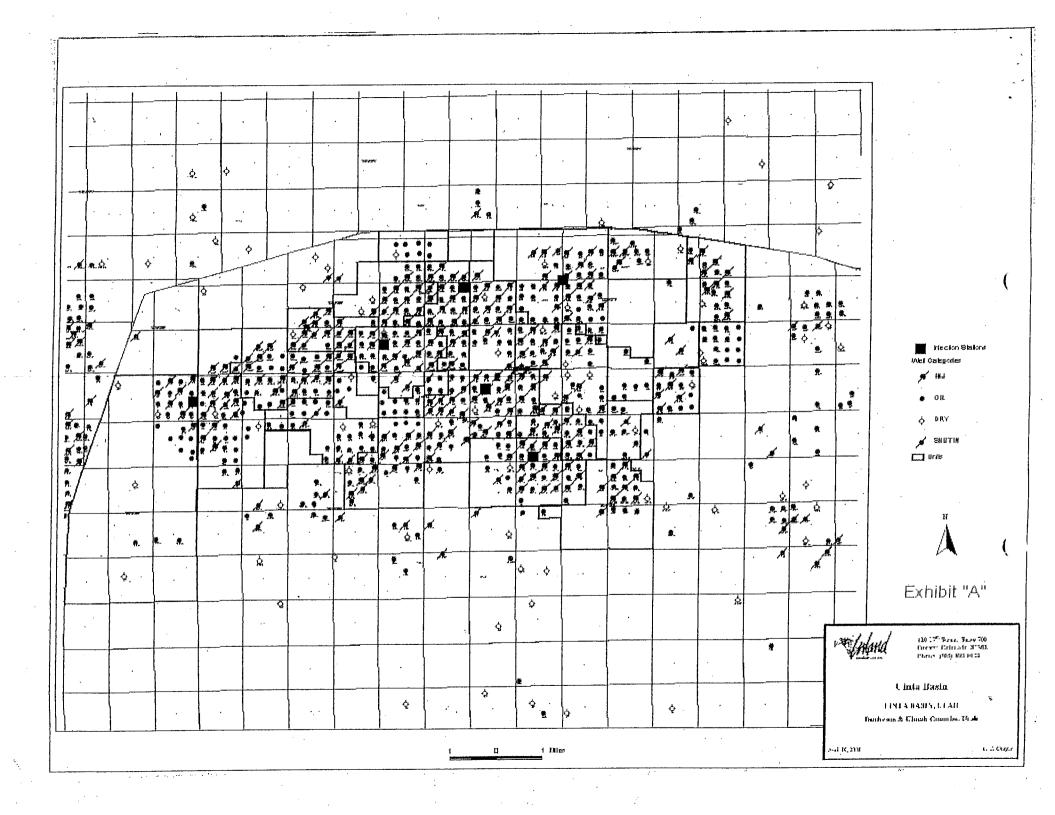
SURVEYED BY: K.G.S. D.J.S	S. SCALE:	1" = 50'	Mri State (435) 781-2501
DRAWN BY: J.R.S.	DATE:	10-26-01	/ Land Surveying, Inc. 38 WEST 100 NORTH VERNAL, UTAH 84078

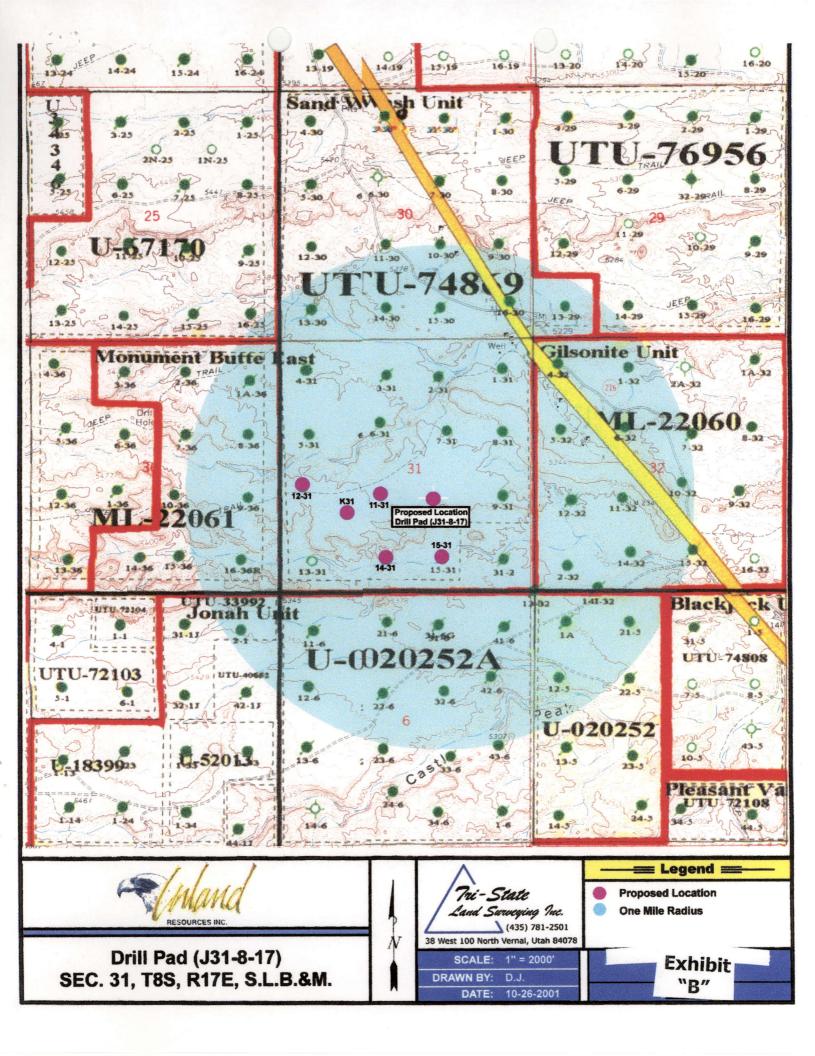












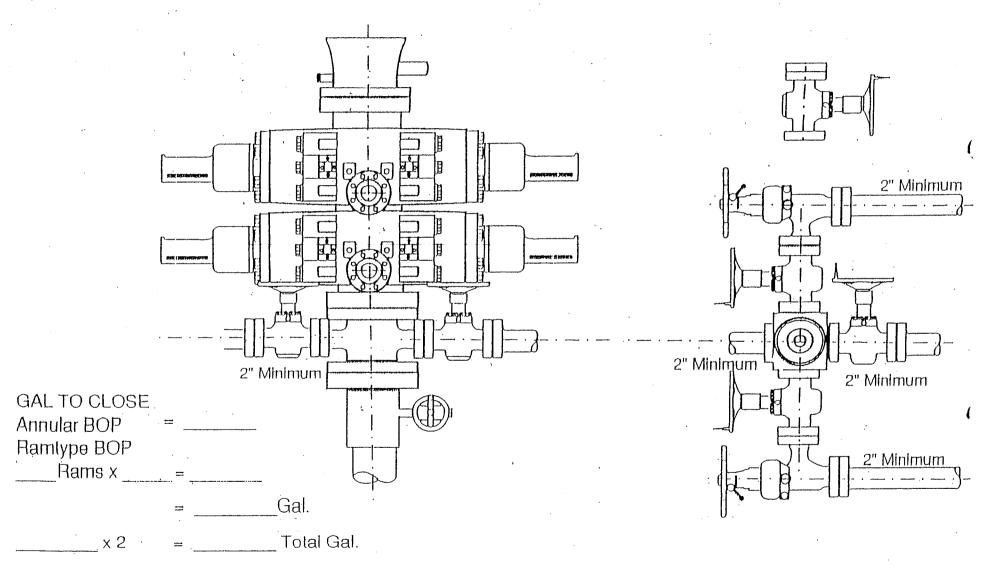
RAM TYPE B.O.P.

Make:

Size: Model:

2-M SYSTEM

EXHIBIT "C"



Rounding off to the next higher increment of 10 gal. would require _ Gal. (total fluid & nitro volume)

APD RECEIVED: 11/21/2001	API NO. ASSIGNED: 43-013-32320
WELL NAME: SAND WASH 10-31-8-17 OPERATOR: INLAND PRODUCTION (N5160) CONTACT: MANDIE CROZIER PROPOSED LOCATION: NWSE 31 080S 170E SURFACE: 1990 FSL 1991 FEL BOTTOM: 1990 FSL 1991 FEL DUCHESNE MONUMENT BUTTE (105) LEASE TYPE: 1 - Federal LEASE NUMBER: UTU-74869 SURFACE OWNER: 1 - Federal	PHONE NUMBER: 435-646-3721 INSPECT LOCATN BY: / / Tech Review Initials Date Engineering Geology Surface
PROPOSED FORMATION: GRRV	
RECEIVED AND/OR REVIEWED: Plat Bond: Fed[1] Ind[] Sta[] Fee[] (No. 4488944) Potash (Y/N) N o'll Shale 190-5 (B) or 190-3 or 190-13 Water Permit (No. MUNICIPAL) RDCC Review (Y/N) (Date:) Fee Surf Agreement (Y/N)	LOCATION AND SITING: R649-2-3. Unit SAND WASH R649-3-2. General Siting: 460 From Qtr/Qtr & 920' Between Wells R649-3-3. Exception Drilling Unit Board Cause No: 229-2 Eff Date: 11-4-97 Siting: XSuspinds Gen. Siting R649-3-11. Directional Drill
COMMENTS: Mon. Bulk Field Sof, STIPULATIONS: 1-Fed. Approval	seperate file.



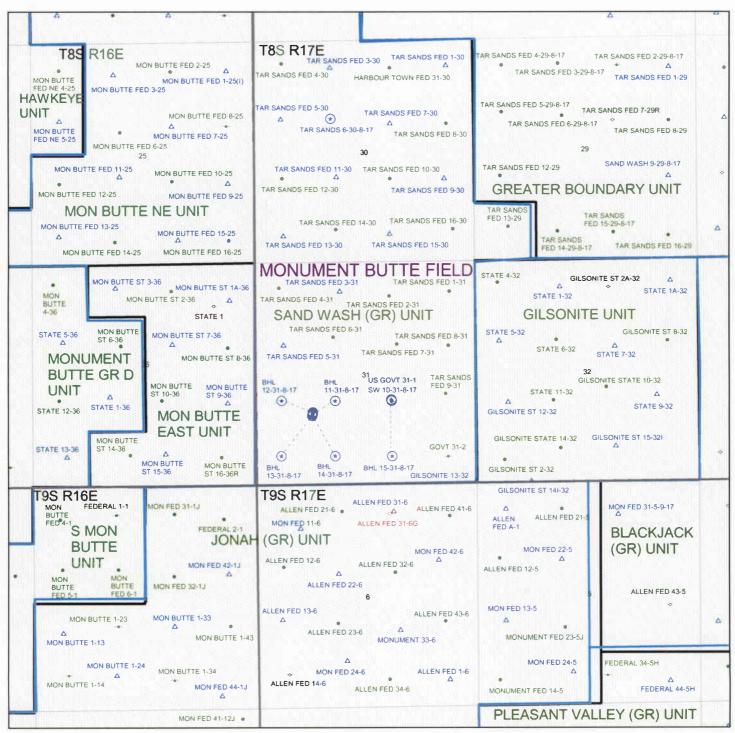
OPERATOR: INLAND PROD CO (N5160)

SEC. 31, T8S, R17E

FIELD: MONUMENT BUTTE (105)

COUNTY: DUCHESNE UNIT: SAND WASH (GR)

CAUSE: 229-2



PREPARED BY: LCORDOVA DATE: 29-NOVEMBER-2001

United States Department of the Interior

BUREAU OF LAND MANAGEMENT Utah State Office P.O. Box 45155 Salt Lake City, Utah 84145-0155

IN REPLY REFER TO: 3160 (UT-922)

November 30, 2001

Memorandum

To:

Assistant District Manager Minerals, Vernal District

From:

Michael Coulthard, Petroleum Engineer

Subject:

1998 Plan of Development, Sand Wash Unit Duchesne County,

Utah.

Pursuant to email between Lisha Cordova, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management. The following wells are planned for calendar year 1998 within the Sand Wash Unit, Duchesne County, Utah.

API #	WELL NAME		L	CATION
(Proposed PZ	Green River)			
43-013-32320	Sand Wash 10-31-8-17	Sec. 31,	T8S, R17E	1990 FSL 1991 FEL
43-013-32321	Sand Wash 15-31-8-17	Sec. 31,	T8S, R17E BHL	
43-013-32322	Sand Wash 11-31-8-17	Sec. 31,	T8S, R17E BHL	
43-013-32323	Sand Wash 12-31-8-17	Sec. 31,	T8S, R17E BHL	
43-013-32324	Sand Wash 13-31-8-17	Sec. 31,	T8S, R17E BHL	1658 FSL 1343 FWL 0662 FSL 0613 FWL
43-013-32325	Sand Wash 14-31-8-17	Sec. 31,	T8S, R17E	1628 FSL 1338 FWL 0662 FSL 1879 FWL

This office has no objection to permitting the wells at this time.

/s/ Michael L. Coulthard

bcc: File - Sand Wash Unit
Division of Oil Gas and Mining
Agr. Sec. Chron



Michael O. Leavitt Governor Kathleen Clarke Executive Director Lowell P. Braxton Division Director

State of Utah DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210 PO Box 145801 Salt Lake City, Utah 84114-5801 801-538-5340 801-359-3940 (Fax) 801-538-7223 (TDD)

December 3, 2001

Inland Production Company Route 3 Box 3630 Myton, UT 84052

Re: Sand Wash 10-31-8-17 Well, 1990' FSL, 1991' FEL, NW SE, Sec. 31, T. 8 South, R. 17

East, Duchesne County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann.§ 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-013-32320.

Sincerely,

John R. Baza

Associate Director

er

Enclosures

cc: Duchesne County Assessor

Bureau of Land Management, Vernal District Office

Operator:	Inland Production Company					
Well Name & Number		Sand Wash 10-31-8-17				
API Number:		43-013-32320				
Lease:		UTU 74869				
Location: <u>NW SE</u>	Sec. 31	T. <u>8 South</u> R. <u>17 East</u>				

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

• Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

• Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Vernal Field Office 170 South 500 East Vernal, Utah 84078-2799 http://www.blm/gov/utah/vernal

Phone: (435) 781-4400 Fax: (435) 781-4410

IN REPLY REFER TO: 3162 UT08300

June 7, 2002

Mandy Crozier Inland Production Company Route 3 Box 3630 Myton, UT 84052

Re:

Well No. Sand Wash 10-31-8-17

NWSE, Section 31, T8S, R16E

Lease No. U-74869 Duchesne County, Utah

Mandy:

The Application for Permit to Drill (APD) the above referenced well is being returned without prejudice per your request. If your drilling plans change and you intend to drill at this location at a future date, a new APD must be submitted.

If you have any questions concerning APD processing, please contact me at (435) 781-4424.

Sincerely,

Marcia Kulesza

Legal Instruments Examiner

marcia Kulls

cc: UDOGM-Lisha Cordova

RECEIVED

JUN 1 2 2002

DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt Governor Robert Morgan Executive Director Lowell P. Braxton Division Director 801-538-7223 (TDD)

1594 West North Temple, Suite 1210 PO Box 145801 Salt Lake City, Utah 84114-5801 801-538-5340 801-359-3940 (Fax)

June 18, 2002

Mandy Crozier **Inland Production Company** Route 3 Box 3630 Myton, UT 84052

Re: APD Rescinded - Sand Wash 10-31-8-17, Sec.31, T.8S, R.16E - Duchesne

County, Utah API No. 43-013-32320

Dear Ms. Crozier:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on December 3, 2001. The division received a letter, dated June 12, 2002, from the Bureau of Land Management, Vernal office, stating that the APD was returned as per your request. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective June 12, 2002.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Engineering Technician

cc: Well File

Gil Hunt, Technical Services Manager